G. R. S. IX-5]

Previous references.

1916-17
(S.F)

File No. 158-16

Serial Nos. 9, 10, 21, 24, 32634

Later references.

GENERAL AND REVENUE SECRETARIAT.

P-72 (E)

Serial Nos. 9-10, 21, 24, 32634.

Part B for June 1917

SUBJECT.

Proposals regarding the Subscription to the Mysore Govt. to the Indian War Loan.

W D 88—GPB—50,000—24-7-16

Recorded
Attached

G. R. S. 11] 1916-17

GENERAL AND REVENUE SECRETARIAT.

(G 7)

NOTES.

File No. 158-16

FILE HEADING.

Indian War Loan -

From

No.	Dated	Received
Diary No.	Enclos. Spare Copies.	Serial No. 9, 10, 21, 24 32, 33, 34.

BRIEF ABSTRACT OF LETTER.

Proposals regarding the subscription by the Mysore Govt to the Indian War Loan of 1917-18 —

NOTES AND ORDERS.

P.T.O

NOTES—First Sheet.

C. 262 - 17.

INDIAN WAR LOAN.

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I Mr. Datta's first note d. 12.3.17 (1

The first edition of the Budget Estimates gives the following results;-

Receipts.	Accounts 1915-16	Budget 1916-17	Revised 1916-17.	Budget 1917-18
Principal Heads of Revenue.	2,07,73	1,98,18	2,26,58	2,29,81
Assigned Tracts Revenue.	1,10	1,50	1,50	1,50
Mining Revenue(net) ..	19,51	18,29	18,63	18,62
Interest.	20,83	20,48	20,27	27,62
Commercial Departments Net profit. ..	11,40	11,13	13,24	17,02
Total. ..	2,60,57	2,49,48	2,80,22	2,94,62
Expenditure.				
Direct demands on Revenue. ..	33,55	34,96	33,68	34,33
Sinking Fund. ..	1,33	1,33	1,33	1,33
Palace and Administration net.	1,46,38	1,57,85	1,54,12	1,56,02
Moral and Material Development. net. ..	28,77	40,54	40,38	40,43
Famine Relief and Insurance.	2,00	2,00	2,00	2,00
Total. ..	2,12,03	2,36,68	2,31,51	2,34,11
Surplus.	48,54	12,80	48,71	60,51
Capital Expenditure ..	- 46,98	- 53,65	-55,51	- 65,00
Extraordinary expenditure. ..			-10,00	
Add; General Improvement. ..			5,00	
Investment account. ..	- 7,19	13,48	13,48	3,00
Reserve Funds. ..	5,88	5,59	5,50	5,00
Deposits and Advances.	9,54	7,88	12,00	7,00
Net Receipts or disbursements.	9,79	— 13,90	19,18	15,51
Opening Balance.	72,27	69,85	82,06	1,01,24
Closing Balance.	82,06	51,73	1,01,24	1,16,75

The above statement calls for the following remarks

3 The estimates of revenue have been framed on a moderate scale and there is every chance of their being exceeded by the actuals. The figure under 'Interest' shows a

(2)

a large increase in 1917-18 because about 3 lakhs of interest due on the last day of the current year has been provided for in the next year as the last day of the year is a holiday in British India But for this special circumstance, the interest receipts in the current year would have been 3 lakhs more than shown above and the receipts for the next year would have been 3 lakhs less. The apparent abnormal growth under 'interest' estimated for next year would then disappear.

4 As regards expenditure, as the Revised Estimates has been based on the 6 months' actuals they provide a fairly large margin for safety as it is thought that the departments might still be able to work up to their grants by the close of the year, But there is hardly any doubt that taking all the departments together, there will be a lapse of 5 lakhs on the revised estimates. This has been provided for in order to arrive at the closing balance of the current year. The closing balance of the current year has also been independently calculated and the figure adopted here has every chance of being ~~realised~~ exceeded in the actuals.

5 As regards the Budget Estimates of expenditure, they have been framed to meet the present scale of expenditure. Sufficient allowances has been made for the normal growth under all heads except 'Education'. Provision has also been made for the surrender of the Mahatarfa tax to District Boards and of the transfer of the receipts of the Local fund General to Local bodies, the expenditure now met from the funds being provided for from general revenues. No provision has however been made for any general realisations of any departments.

6 The surplus in the next year under these conditions is expected to be 60½ lakhs. This

(3)

This with an addition of 15 lakhs from current accretions to reserve funds, the sale of securities to the Sterling Loan Sinking Fund and a very small receipt from Savings Bank and other deposits will give the State a net receipt of 75 ½ lakhs next year. The closing balance of the current year is estimated at 101 lakhs so that the total amount available will be 176½ lakhs. From this, we have to set aside 75 lakhs as our minimum working balance which will leave 101½ lakhs for capital expenditure, for investment in the new loan, and for development of Education, and other very necessary reforms.

7 So far as I can see, the capital expenditure may be cut down to 65 lakhs. Namely, 22 lakhs for Krishna Sagar Works, 20 lakhs for Iron scheme, 6 lakhs for Cauvery Power Works, 10 lakhs for Railways and 7 lakhs for any other schemes which may be in view. This will still leave about 36 lakhs. I am not in favour of restricting capital expenditure further, or of restricting the development of Education and introducing other very important reforms for the sake of subscribing to the new loan. I would therefore limit the cash subscriptions to the new loan to 25 lakhs and give the following grants for the several services which require improvement.

Education.	3 lakhs.
Police Reform.	1 "
Separation of Judicial and Executive functions.	½ "
Reorganisations of land revenue and other departments.	½ "
Total	5 "

8 The account will then stand as follows:

Surplus. ..		60,50
Reserve Fund, Debt and Deposits.		15,00
Opening balance.		1,01,00
		1,76,50
Deduct:-		
Working balance required. ..	75,00	
Capital expenditure.	65,00	
Further grants for expenditure on development.	5,00	
Investment in new loan.	25,00	1,70,00
Margin		6,50

(4)

9. The above figures have been prepared rather hurriedly and roughly, but they cannot be far out as will be seen from the statement which gives a comparison of the transactions in the current/year and the next with the actuals of 1915-16. Even if thereis any slight mistake, it will always be possible for the State to sell a few lakhs of its securities or to mortgage them with the banks and get 10 or 20 lakhs. If the Government is anxious to carry on the productive works more ~~xxxxxxxxxxxx~~ vigorously I think the 65 lakhs proposed above can be easily raised to 80, the deficit of 15 lakhs being met from the sale or mortgage of Government securities as mentioned above.

10. I am not prepared to recommend the suspension of the Capital Works or of the other necessary developments for subscribing to the new loan. I should mention here, as I have repeatedly said, that I do not agree with the Financial Secretary that the State should hold on its investments in the ~~ideal~~ idle hope of the securities rising in value on some remote and very distant date. I do not think there is any chance of their price rising up soon nor do I agree that the funds of the State should be locked up in the securities even though they might be earning interest at the rate of 5 %. Expenditure on productive works is far more desirable than earning a rate of interest even higher than what the productive works may be expected to yield.

11. All my above calculations have been based on the idea that there will be no run on the Savings banks. The terms offered by the Governmentof India are so attractive that I am afraid there will be a very considerable run on the Savings Banks of the state unless preventive measure are immediately taken. The Financial Secretary says that the Comptroller should watch the withdrawals and then

then report. I am afraid, a policy of wait and see in this matter will serve no useful purpose and it might be too late here-after to take the necessary measures. I would therefore suggest the immediate adoption of the following courses:-

12 The rate of interest on Savings Bank deposits instead of being a fixed one as at present should in future be a graduated scale according to the time during which the money is left with the State The rates may be as follows.

Rs	3.1/8% ..	For all deposits which are actually withdrawn with six month
"	4 % ..	do. between 6 months and one year.
"	4-12-0 % ..	do which are allowed to remai with the State fora year or more.
"	5-4-0 % ..	do. for more than two years.

13 The calcualions of interest will not be complicated as may appear at first sight. On the minimum balance during a whole year of every account of not less than Rs.10 an additional interest of Rs.1-10-0 may be allowed over and above the usual 3.1/8 %. On the excess of the next higher minimum over the annual minimum mentioned above, an additional interest of 10 as% may be allowed over and above the 3.1/8%. In all accounts on the minimum balance of the year which is not less than the minimum of the previous year, an additional interest of 8 as % may be allowed.

14 I think these rates if accepted will not only check withdrawals from Savings Banks deposits, but will attract new deposits to the Savings Banks. This appears to me to be the simplest means for raising additional funds by the State. It is true the deposits will be at call, but during the year in which they are withdrawn they will not be allowed higher interest than 3.1/8%, if withdrawn during the first six

six months of the year, or 4 % if with drawn durting the last six months of the year. The drop in the rate of interest and the absence of any better investments , I believe, will induce people not to withdraw their deposits unless absolutely compelled to do so. The scheme will involve the payment of an increased rate of interest on the existing deposits. The additional expenditure will probably amount to one lakh of rupees. But I think this expenditure is quite worth the while of the State to incur in order to attract more capital and to prevent the withdrawal of the deposits. While the State itself will be earning interest on its investment on ~~its~~ the new loan at the rate of 5% I do not see any reason why the State should not allow the same rate to its depositors.

15 I have had to ~~dax~~ draw up this note rather hurriedly, but if my proposals are generally accepted I shall be glad to draw up the details at once.

K. L. Datta

12.3.17

Council Resolution d 12.3.17

(7)

Opinion of the Council.

16 — The Loan Notification may be republished in the Mysore Gazette omitting reference to payment of contributions into the District Treasuries.

Council
The Fin Secy may check reference made 17/3

17 The rate of interest on Savings Bank deposits may be raised as suggested by Mr Dalal in the annexed note. Such raising may be expressly declared to be temporary.

A loan of 26½ lakhs of new money may be taken by the State, and 34½ lakhs of 3½ p.c. paper converted into the new loan.

19 A reference may be made to the Hon'ble the Resident enquiring whether interest would be paid by the Govt of India on the ~~receipts~~ contributions received into the Mysore Treasuries forwards the loan from the Date of receipt. If the answer is in the affirmative, the necessary addition to the Notification may arise.

The Deputy Commissioners may be demi-officially requested to popularize the loans scheme in their districts without in any manner using official pressure.

12/3

12.3

12/3/17

III

Notes of discussion in Council on 13-3-17

(8)

Dw Council

The Fin Secy Mr Dellà to submit a note today to the Dewan on these lines.

Dewey
13/3

The Govt of India to be consulted after sanction by His Highness.

Dewey
13/3

(1) 33.3 lakhs in cash to be guaranteed.

(2) This means 75 lakhs of paper including conversion

(3) Papers to issue at 95 & bear interest at 5-8 p.c.
or 5-12-6 on the actual value.
Other terms same as the War loan.

(4) Papers to be in the name of the State.

(5) Public to have no right of conversion.

(6) Free from income tax.

(7) Whole gross cash realized by the Local loan to be made over to the Govt as an investment in the War loan from the State

(8) Govt Bank taking over to be raised as desired by today:

(9) Loan to be restricted to bona fide Mysoreans:

Dewey
13/3

Mr. Datta's third scheme: Provisionally approved in Council yesterday. Orders - 14/3

V

(12)

31

In order to induce the people of Mysore to contribute their mite towards the new Indian War Loan, the Government of Mysore proposes to adopt the following scheme:-

(a) The Mysore Government will issue a loan at Rs.95 bearing interest at Rs.5-8-0 per cent, i.e., 8 as per cent more than the rate allowed by the Government of India. (1)

(b) So long as there is no income-tax in Mysore, the interest on the bonds issued by Mysore will not be subject to any such tax. (2)

(c) The whole of the cash realised by the Mysore Government from the loan will be invested by the Mysore State in the new 5 % War Loan on the terms announced by the Government of India. (3)

(d) The Mysore State will guarantee to supplement, if necessary, the amount of cash realised on account of subscriptions to the loan issued by Mysore so as to make the amount of cash invested by Mysore at least 33 1/3 lakhs. If the people of Mysore subscribe more, the Mysore Government will of course invest the whole amount. (4) The total amount of new paper which the Mysore govt will take including conversion will be seventy five lakhs or about half a million sterling. (5)

(e) The Mysore Government will undertake to keep securities of the new 5% loan representing the contribution by the people of Mysore, intact until the 5% loan is discharged by the Government of India, when the capital repaid by the Government of India will be used by Mysore in discharging the bonds issued by it.

(f) The Mysore Government will also undertake to give all holders of the Mysore securities a free option of exchanging their holdings for Government of India securities of the new 5 % loan of the same nominal value. This will always enable holders to have a market for the

13

the sale of their securities and to get full advantage of the sinking fund established by the Government of India to prevent a depreciation of the market value of the securities.

(g) The privilege of subscribing to the Mysore War Loan will be restricted to people of Mysore.

32

2. As the liberal terms now offered are likely to cause a heavy run on the Mysore Government Savings Banks and as the current rate of interest has risen through out the world since the present rate of interest on Savings Banks Deposits was fixed, the Mysore Government propose to fix the following rates for Savings Banks Deposits with effect from 1st January last.

(1). Rs.3-2-0 per cent per annum on all current deposits which remain in the Savings Banks for less than 6 months.

(2). " 4-0-0 per cent per annum on deposits which are allowed to remain in the Savings Banks from 6 months to less than a year.

(3). " 4-12-0 per cent per annum on all deposits which are allowed to remain in the Savings Banks from 1 to 2 years.

(4). " 5-4-0 per cent per annum on all deposits which are allowed to remain for more than two years.

33

3. These periods will be counted with reference to the monthly balance in each official year and the working rule for calculating the interest will be as follows:-

Interest will be allowed at first on all minimum monthly balances at Rs.3-2-0 per cent as at present. In addition to this the following further amounts will be allowed.-

(a). Taking the minimum balance of the current year

(14

year and that of the previous year, an additional interest will be allowed at the rate of Rs.2-2-0 per cent on the lower of these two balances, thus making the total interest on it equal to Rs 5-4 per cent.

(b). On the difference between the lower and the higher of the above two balances an additional interest of Rs.1-10-0 per cent per annum will be allowed, thus making the interest allowed on it equal to Rs 4 per cent.

(c). On the difference between the minimum balance of the current year and the next higher balance in the same year, if such balance has been allowed to remain in the Bank longer than 6 months, an additional interest at Re.0-14-0 per cent will be allowed, thus making the total interest allowed on it equal to Rs 4 per cent.

In all the above rules current year will mean the official year for which interest has to be allowed on the account.

The deposits will continue to be at call as at present and no restrictions are proposed to be placed against the privilege which depositors enjoy of withdrawing their deposits once a week. The only effect of their withdrawing their deposits will be to reduce the rate of interest in the year in which the withdrawal is made to Rs.3-2-0 per cent if they withdraw the sum and do not allow it to remain in the Bank for at least 6 months or to 4 per cent if it is withdrawn after it has been in the Bank for 6 months or more in the year concerned. The 6 months will not be reckoned continuously so that an amount withdrawn in any month may still earn 4 per cent if it is replaced within the official year in any month which would make the total period during which it has been in the Bank at least 6 months in the year.

The monthly minimum balances will in all cases be counted as at present between the 4th and the last day of the month and the periods of one year & six months will also be reckoned from the beginning of the official year for which the interest is due. Para 3 must be communicated to the Residency & it will facilitate the drafting of the Govt. orders.

K. L. Datta 8/43

(15

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

37

Forwarded. The Financial Secretary for favour of opinion & remarks before 12 noon today on the 3W scheme of Mr Dalla circulated in council yesterday.

Duee

14/3

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 81—GPB—60,000—20-7-16

VI.

Financial Secy's Note d. 14-3-17

WD 1233—GPB—60,000—1-12-16—S.

16

G. R. S. III-2

General and Revenue Secretariat. | File No. of 191

Immediate

Serial No.

MYSORE'S PARTICIPATION IN THE INDIAN WAR LOAN.

38 In my note discussed with the First Member on 9th March 1917 I suggested that the Mysore Government might take by fresh subscription and by the exercise of conversion rights attaching to such subscription 75 lakhs of the new War Loan. This ~~xx~~ would involve putting in 33.3 lakhs of fresh money.

39 In his note dated 12th March 1917 the Special Officer mentioned 25 lakhs of fresh -- money. The Council resolution of 12th March 1917 mentions 26½ lakhs. In his 2nd and 3rd notes of 13th March 1917 the Special Officer - agrees to this amount as the minimum to be -- guaranteed as the contribution of the people and the Government of Mysore taken together.

40 In my respectful opinion the amount of State contribution in fresh money may now be - definitely fixed at 33.3 lakhs.

41 2. As regards the question of Savings Banks interest which was also discussed in my note of the 9th instant I consider that clearness in -- the method of calculation is essential in a -- matter which is intended to appeal to the general mass of depositors.

42 I would therefore suggest the simple rules embodied in the attached draft notification.

NOTE—Contn. sheet.

A

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2)

17

General and Revenue Secretariat. | File No. of 191 .

Serial No.

43 A draft D.O. to the Residency forwarding for suggestions a copy of the draft notification is also put up.

44 3. As far as can be judged at present our balances on 1st July 1917 and the expected surplus of 1917-18 will leave about 50 to 60 lakhs for capital expenditure and development grants during 1917-18 after meeting the subscription of 33.3 lakhs referred to in para 1.

4. I think that subscription by the State and by the public to the War Loan may be kept separate and need not be mixed up. Such a course is likely to lead to complications.

5. I beg that in finally deciding the War Loan and allied questions these views may be kindly considered by Government.

6. A draft to Deputy Commissioners in accordance with the last para of the Council resolution of 12th March 1917 is also submitted for approval.

7. The matter being urgent a copy of this note with annexures is being submitted to Dewan Saheb and each Member of Council separately.

14.3.17

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2

General and Revenue Secretariat. | File No. | of 191

18

Serial No.

NOTIFICATION.

The Government of His Highness the Maharaja are pleased to order that in addition to the usual rate of interest on all deposits in the Mysore Government Savings Banks additional interest at $1\frac{7}{8}$ per cent. per annum will henceforth be paid on the minimum balance for the -- year.

In calculating the interest for the year from July 1916 to June 1917 additional interest for three months from April to June 1917 will be allowed on the minimum balance between 4th April and 30th June 1917 at the rate specified above.

14.3.17

NOTE—Contn. sheet.

(19

D.O.

General & Revenue Secretariat,

Dated, Bangalore, the 14th March 1917.

My dear Sir,

As you are aware, the Mysore Government have got in their Savings Banks as deposits at call a sum of about 72 lakhs of Rupees. In view of the conditions of the money market and in order to avoid a run on these banks the subject of increasing to some extent the rate of interest on deposits which are kept for long periods has been under consideration for some time. The draft of a notification which it is intended to be issued on the subject, is enclosed herein for favour of any suggestions which you may kindly offer. If this measure of precaution is not taken, the Mysore Government will have to be prepared with large cash reserves to meet a run and its capacity for subscribing to the new loan will be materially affected. It is of the greatest importance that the Government should be fully prepared to meet its liabilities in such matters and the measure referred to herein seems absolutely necessary under the present circumstances.

Yours sincerely,

Draw 20/3/17 14.3.17

To

The Hon'ble Mr. H.V.COBB, S.S.I., C.I.E., I.C.S.,

British Resident in Mysore, BANGALORE.

British Resident in Zanzibar. 5th June 1896.

The Hon'ble Mr. E.V.Cobb. H.B.M.'s C.I.E., I.S.O.

To

Yours sincerely

Present circumstances

appeared to Berlin seems absolutely necessary under the to meet the liabilities in such matters and the necessity importance that the Government should be fully prepared loan will be materially affected. It is of the greatest meet a run and its capacity for subscribing to the new will have to be prepared with large cash reserves to -- pressure of pressure is not taken. The above Government sub-suggestions which may right offer. It this issued on the subject is enclosed herein for favour of time. The draft of a notification intended to be -- for long periods has been under consideration for some time, the rate of interest on deposits which are kept on these bonds the subject of increasing to some ex- of about 3% banks of Rupees. In view of the condit- tions of the money market and in order to avoid a run kept in their savings banks to deposits at call a sum

As you are aware the Zanzibar Government have

Mr. Secretary Dir

Dated Zanzibar, the 16th March 1897.

General Treasure Secretariat

D.O.

General & Revenue Secretariat,

Dated, Bangalore, the 14th March 1917.

Dear Sir,

I am directed to request you to be so good as to popularise the Indian War Loan scheme in your district to the utmost extent possible, without of course in any manner using official ~~pressure~~ pressure. The particulars of the scheme were published in the Gazette of India, Extraordinary dated March 1, 1917 and will be republished in the Mysore Gazette. Copies of the loan notification may be displayed on the notice boards of all district and taluk treasuries. Meetings may also be organised at district headquarters and other important centres to explain to the people the attractive features of the Government of India War Loan as an investment and the desirability of participating in it from the patriotic point of view.

Yours sincerely,

To

The Deputy Commissioners,

of all districts.

(21)

Extract from the Proceedings of the.....412th.....Meeting of the Council of His Highness the Maharaja, held at.....Bangalore.....

on the..15th..March..1916.....~~xxx~~

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9. Subject.- (Clause xii of the schedule.

The Indian War Loan.

OPINION OF THE COUNCIL.

The Savings Bank rates of interest may be as follow:-

(i) $3\frac{1}{8}$ per cent. per annum as at present on all Current deposits which remain in the Savings Bank for less than six months.

(ii) 4 per cent. per annum on deposits allowed to remain in the Savings Bank for 6 months or more but less than a year.

(iii) 5 per cent. per annum on deposits which are allowed to remain for a year or more.

This modifies the resolution of the Council, dated the the 12th instant.

2. According to His Highness' pleasure, either the annexed scheme for raising a loan from the people of Mysore in this connection (if it is agreeable to the Government of India), or the Council resolution of the 12th March to the effect that a sum of $26\frac{1}{2}$ lakhs of new money may be subscribed by the State and about 42 lakhs of $3\frac{1}{2}$ per cent. paper converted into the new loan, may be adopted. (This will give about 60 lakhs of new paper.)

"EXTRACT"

D. M. Narayana Rao 1673

Secretary to Government,
General Department.

(Sd.) M. Visvesvaraya,
DEWAN OF MYSORE.

WD—156—GPB—1,000—19-7-16.

(23

(f) The Mysore Government will also undertake to give all holders of the Mysore securities a free option of exchanging their holdings for Government of India securities of the new 4 per cent. loan on the same nominal value. This will always enable holders to have a market for the sale of their securities and to get full advantage of the sinking fund established by the Government of India to prevent a depreciation of the market value of the securities.

(g) The privilege of subscribing to the Mysore 4 per cent. loan will be restricted to the people of Mysore.

D. O. No. 4777/Fin. Three Bangalore,

16th March 1917.

The action to be taken by His Highness' Government in connection with the Indian War Loan recently announced by the Government of India has to be decided without delay.

2. So far as popularzing the scheme in the State is concerned all that is necessary is to republish the Notification of the Government of India on the subject in the Mysore Gazette and to request the Deputy Commissioners to do what they can in the matter without in any way using official pressure. Facilities may also be afforded to the people to subscribe to the loan by permitting them to pay their contributions through the Mysore Treasuries, after ascertaining whether the Government of India would pay interest on such contributions from the date of payment in the Mysore Treasuries.

3. A point which requires serious consideration in this connection is the possibility of a heavy run upon the Government Savings Banks on account of the more attractive investment which the new Indian War Loan offers and the general

rise in the rate of interest in the money market. The interest of 3 1/8 per cent. now allowed on Savings Bank deposits has become too low and an immediate raising of the rate is absolutely necessary to prevent heavy withdrawals. For this purpose the revised rate should approximate as far as possible to the rates now offered by the Government of India. Mr. Datta suggested a scale of interest varying with the length of the period for which such deposits are left with the Government, while the Financial Secretary is of opinion that a clearer method of calculation is essential if the increased rate of interest is to appeal to the depositors and that the present rate of interest may accordingly be raised by 1 7/8 per cent. per annum ~~and~~ to be paid on the minimum balance for the year. The Council, however, finally resolved that the rates may be revised according to the marginally (x) noted scale as a temporary measure.

(x)

(1) 3 1/8 per cent. per annum as at present on all current deposits which remain in the Savings Bank for less than six months.

(2) 4 per cent. per annum on deposits allowed to remain in the Savings Bank for six months or more but less than a year.

(3) 5 per cent. per annum on deposits which are allowed to remain for a year or more.

4. The most important question is what amount the State itself may subscribe towards the loan. There are two alternative proposals on this point:-

(i) A sum of Rs.26½ lakhs of new money may be subscribed by the State and about 42 lakhs of 3½ per cent. paper now with the Government converted into the new loan with the conversion rights thereby acquired.

(ii) The scheme proposed by Mr. Datta in the annexed memorandum may be adopted and a loan raised by the State from the people of Mysore for contribution to the Indian War Loan.

The Council are of opinion that either of the above ~~of the~~ courses may be adopted, according to His Highness's pleasure.

5. The Financial Secretary considers that under the latter scheme the subscriptions by the State and by the public would be mixed up and that complications might arise. He favours the amount of State contribution by itself being definitely fixed at Rs.33.3 lakhs. (A copy of his note is herewith enclosed.)

6. I am, however, inclined to think that, in the interests of the State, it would be better to raise the necessary funds for contributions to the Indian War Loan by an independent loan floated by the State than to draw upon the cash resources for the purpose and thereby hamper the progres of the large schemes of capital expenditur under contemplation. There is no reason why the floatation of the loan on the line suggested in the accompanying memorandum should lead to any complications. The contributions by the public will be to the State Loan and on the State guarantee backed by the guarantee offered by the Government of India. ~~and~~ Under this double guarantee the subscription to the Indian War Loan from the people of Mysore may be expected to be larger than what might be contributed by them by direct subscription while the Government will get the benefit of the conversion rights attaching to the Indian War Loan to a substantial extent without appreciably reducing their cash resources.

It should also be noted that the proposal is to contribute to the Indian War Loan the whole of the amount thus raised from the people of ~~the~~ Mysore, the State making up the deficiency, if any, from its own funds, should the amount subscribed by the people be less than 33.3 lakhs.

7. If the idea of floating the loan for the purpose under consideration commends itself to His Highness, the scheme will be put before the Government of India through the Hon'ble the Resident and their wishes ascertained. If they are agreeable the scheme will be explained at meetings of the people to be held at select places in the State.

8. Pending decision on this question, the proposed meeting at Bangalore on the ~~20th~~ instant ~~has~~ been adjourned ~~to the 26th instant.~~

9. I request you ~~to~~ kindly submit the ~~matter to His Highness and communicate his orders to me as early as possible.~~

Yours sincerely,

Dewan.

PRIVATE SECRETARY TO THE DEWAN · MYSORE ·

BALLABROOIE,
HIGH GROUND,

Bangalore 19th March 1917.

My dear Mr. Narasinga Rao,

37 I am desired to send herewith a telegram from the Huzur Secretary to the Dewan about the War Loan recommendations. The Dewan will be obliged if you will very kindly have a calendar prepared in respect of the further action to be taken until the matter is finally closed.

Yours sincerely,

Ayyangar

29

C. Urgent Sunday

INDIAN TELEGRAPHS.

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Charges to pay.	
Rs.	As.

Office

BANGALORE 19 MAR 17 G.T.D.

19.3.17

Handed in at (Office of Origin).	Date.	Hour.	Minute.	Service Instructions.	Words.
Bom Cant	18	13	20		

Recd. here at 16 H. 47 M.

TO

Dewan of Mysore Bangalore

File about war loan read
his highness sanctions all
your proposals regarding it
Mirza M. Ismail =

N.B.—The name of the sender, if telegraphed, is written after the text.

Gulab Singh & Sons, Calcutta—

Urgent.

Draft

80

D. O. No. 4287/En: Three

Bangalore,

30th March 1917.

My dear Mr Tucker,

The notification referred to in the correspondence ending with Major Tucker's demi-official letter No.2037 dated the 16th instant, has been published in an Extraordinary issue of the Mysore Gazette for general information.

His H. first
~~The Durbar~~ have, last at the same time, under contemplation, a scheme of their own to popularise the Indian War Loan more effectively in the State. Their idea is to float a first loan on their own account ~~in the State~~ on the terms indicated in the accompanying memorandum and to contribute the whole of the amount thus raised from the people of Mysore to the Indian War Loan.

His Highness' Government ~~thus~~ in this manner propose to collect and remit to the Government of India a minimum loan of Rs.35 lakhs. Should the amount subscribed by the public be less, the Durbar will make up the deficiency from State funds. The advantage of this measure is that the guarantee of the State backed by that of the Government of India, together with the higher rate of interest which the proposed State Loan will carry, will offer a stronger inducement to intending subscribers of Mysore. The total contribution from the people of Mysore as a whole may thus be confidently expected to be larger than it would be by direct subscription to the Indian Loan. The State loan will not carry with it any conversion rights as it is believed that no appreciable amounts of 3½ per cent paper ~~are~~ is held by the people of Mysore and the higher rate of interest will be appreciated more by them than the conversion rights.

The Government of Mysore, on the other hand, hold a very large amount in the 3½ per cent. paper of the Government of India and if the proposed arrangement is approved, it will enable the

31

Durbar to convert a part (amounting to ~~nearly~~ about 55 lakhs) of these holdings into the new securities of the Government of India.

The Durbar propose to raise simultaneously the rate of interest allowed to deposits in the Durbar's Savings Banks in order to prevent heavy withdrawals therefrom. The object is not the fear that large sums would be withdrawn for the Government of India War Loan although some withdrawals may take place on that account, but the Durbar apprehend heavy withdrawals on account of the general rise in the rate of interest. A separate communication is under issue on this question.

It is believed that only a part of the minimum sum of 35 lakhs will be subscribed by the people of Mysore and that the ~~Mysore~~ State will have to find a considerable share of the amount which it is prepared to guarantee. If, therefore, the rate of interest on deposits in the Durbar's Savings Banks be not raised as contemplated, it will be necessary to retain a large cash balance in our treasuries to meet heavy withdrawals and the Durbar's capacity to guarantee a minimum subscription of 35 lakhs from the State to the Indian War Loan will be seriously impaired.

If, in the circumstances, the proposals made above meet with the approval of the Government of India, His Highness' Government are prepared to take all necessary action without delay to make the War Loan as ~~large~~ great a success as may be possible within the State.

I request the favour of your kindly communicating the proposal to the Government of India and obtaining their consent thereto, by wire, if possible.

The public meeting in the City fixed for the 26th instant will be postponed, if necessary, till you are able to obtain the decision of the Government of India by telegram.

I attach a copy of the scheme referred to above, with two spare copies.

Yours sincerely,
M. Visvesvaraya.

20.3.17

32

S C H E M E.

*****

In order to induce the people of Mysore to contribute their mite towards the NEW INDIAN WAR LOAN, the Government of Mysore propose to adopt the following scheme:

(a) The Mysore Government will issue a loan at Re.95 bearing interest at Re.5-8-0 per cent. i.e. 8 as. per cent. more than the rate allowed by the Government of India but without any conversion rights.

(b) So long as there is no income-tax in Mysore, the interest on the bonds issued by Mysore will not be subject to any such tax.

(c) The whole of the cash realised by the Mysore Government from the loan will be invested by the Mysore State in a new 5 % War Loan on the terms announced by the Government of India.

(d) The Mysore State will guarantee to supplement, if necessary, the amount of cash realised on account of subscriptions to the loan issued by Mysore so as to make the amount of the cash invested by Mysore at least 35 lakhs. If the people of Mysore subscribe more, the Mysore Government will, of course, invest the whole amount. The total amount of new paper which the Mysore Government will thus take including conversions will be about 79 lakhs or well over half a million sterling.

(e) The Mysore Government will undertake to keep securities of the new 5 % loan representing the contribution by the people of Mysore, intact until the 5 % loan is discharged by the Government of India, when the capital repaid by the Government of India to the Mysore State will be used by the Mysore Government in discharging the bonds issued by it.

(f) The Mysore Government will also undertake to give all holders of the Mysore securities a free option of exchanging their holdings for Government of India securities of the new

new 5 % loan of the same nominal value. This will always enable holders to have a market for the sale of their securities and to get full advantage of the sinking fund established by the Government of India to prevent a depreciation of the market value of the securities. The Mysore securities will thus be strengthened by the Government of India securities held by the State.

(g) The privilege of subscribing to the Mysore War Loan will be restricted to the people of Mysore.

No. 2193

Sunday

2. iii. 17

with reference to D.O. letter

dated 22.3.17

D. O. No. 3/4349

34

THE RESIDENCY,

BANGALORE.

My dear Sir Vishveshwaraya.

81 I write to acknowledge with many thanks the receipt of your three d.o. letters 4787-9 of today's date on the subject of the Mysore Iron.

My letter to the Govt of India on the subject will issue today & I am telegraphing also a telegraphic précis and pressing them to move for an early reply.

My view is that you should personally be with us to help your proposal with my moral & political support.

Yours sincerely

H. V. Cobb.

36

D. O. No. 2 4752

THE RESIDENCY,
BANGALORE.

Confidential

1. IV. '17

My dear Sir Visvesvaraya,

I hope I made it clear in my talk yesterday that the Durbar's suggestions as to the Mysore War Loan were not yet known to the Govt of India's financial experts. I quite hope that when this is done the practical objections & difficulties to which I referred in my conversation (though not in the character of which I am in the dark) may be found to be

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

360

Hon. Secretary.

Do not mention the ultimate decision may be if we can't consistently with the larger regard with our sincere support to it how in all other matters affecting the conduct of the war.

With all good wishes.

Believe me,

Yours sincerely

H. G. Wells.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20-7-16

Fr 4753

1. IV. 17

THE RESIDENCY,
BANGALORE

My dear Sir Vincent,

Many thanks for your letter of today's date. From it I understand that for the present [illegible] abandoned the idea of a Mysore War Loan & that you only "[illegible]" [illegible] pending the receipt of the Govt of India's considered reply to your proposals? If the former I ought to telegraph to my Govt & let-

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Dear Lucas, 28

I shall be glad & delighted
to attend your meeting
at the Eyre Arms Tavern
at 6 p.m. on Fri 7th. And
I hope you will be a
friendly witness
to Lady L & C. L. M.
Watson on which
we do battle.

Yours sincerely
H.V. Cobb-

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20-7-16

5151 fm 173 89

Camp Chellakere,

10th April 1917.

My dear Mr. Cobb,

In continuation of
~~With reference to~~ correspondence ending with your D.O. letter dated the ~~1t~~ 1st instant, I ~~owe you a reply~~ wish to state that we have definitely abandoned the idea of ~~the~~ a Mysore war loan. His Highness has decided to invest one-third of a crore or Rs.33 1/3rd lakhs in the war loan as already announced at ~~the~~ by me last Saturday's meeting after consulting you.

Yours sincerely,

Ro

10-4-17

SD

Forwarded to Financial Secretary for favour of being recorded with connected official file.

Bij Sdn

27:8.17

Ms Fin (One important paper has not been printed in this file for a correction)

Ms

27/8

Let me see the Collection made up about ending with the note to Mysore Resident?

27/8

40

Submitted to His Highness.

Page 21 of office note On the 15th March 1917 the Council recorded the following recommendation : -

" According to His Highness' pleasure, either the annexed scheme for raising a loan from the people of Mysore in this connection (if it is agreeable to the Government of India) , or the Council Resolution of the 12th March to the effect that a sum of 26½ lakhs of new money may be subscribed by the State and about 42 lakhs of 3½ % paper converted into the new loan, may be adopted. (This will give about 60 lakhs of New Paper)

page 7 of office note

2. It has since been ascertained that the scheme for raising a loan within the State is not acceptable to the Government of India .

T 3. As stated in my D.O. letter of the 16th March 1917 to the address of the Huzur Secretary to His Highness, the Financial Secretary is in favour of the Mysore Government taking by " Fresh subscription and by the exercise of conversion rights attaching to such subscription 75 lakhs (or half a million sterling) of the New War Loan Papers". This would involve putting in 33.3 lakhs of fresh money. The Financial Secretary is of opinion after careful calculations that no embarassment will result by subscribing the higher amount referred to by him.

4. The raising of the Savings Bank rate of interest was

U approved by His Highness in Mr. Mirza's telegram from Bombay dated 18th March 1917. The Hon'ble the Resident was informed in

W my D.O. letter dated 21st March 1917 of the action which His Highness' Government were taking in the matter. A notification on

V the subject is now being issued.(copy annexed)

41

5. A War Loan meeting will be held at Bangalore on Saturday the 7th April. I shall come to Bangalore for a day from my camp in the Chitaldroog District to preside at this meeting. Every endeavour will be made to make the meeting a success. Deputy Commissioners of Districts will also be requested to arrange for meetings at District Head Quarters and other important centres and popularise the loan scheme in their respective jurisdictions without of course using any official pressure.

6. I request that the Financial Secretary's proposals in paragraph 3 above may be graciously approved.

M. Visvesvaraya
1st April 1917.

1.4.17

42

N O T I F I C A T I O N

No. dated —

The Government of H. H. The Maharaja are pleased to direct that the rates of interest to be allowed on ... deposits in the Mysore Government Savings Banks will in future be as follow : --

(i) 3½ % per annum as at present on all current deposits which remain in the Savings Banks for less than six months.

(ii) 4 % per annum on deposits allowed to remain in the Savings Bank for six months or more but less than a year.

(iii) 5 % per annum on deposits which are allowed to remain for a year or more .

Sd. J.S. Chakravarti

Financial Secretary.

Copy.
JSChakravarti
Fin Secy.

S.7158-16

C. 262-17 43

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Proposals regarding the subscription by the Mysore Government to the Indian War Loan of 1917.

1006

Order.

~~KRW~~
3/4/17

C.O. Financial Secretary
Bangalore P.D.

5.4.17

9/ Write & Compute a.o. for calculation how the money can be paid. M
7.4.17

WD 1233—GPB—60,000—1-12-16—S.

44

G. R. S. III-2]

General and Revenue Secretariat. | S 7 File No. 158 of 1916.

Serial No.

Compli

Supposing Govt want to subscribe 33.3 lakhs to the 5% 1928-47 Indian War loan, kindly furnish a memorandum shewing how & in what instalments the money can be paid. A note during the course of the day (before 5 p.m.) will be helpful.

7.4.17

Our application can be only for "instalment allotments" and not for "fully paid-up allotments" as it is not possible to pay the whole amount in one instalment with the application.

2. In the case of instalment allotments 15 per cent has to be paid on application and the balance of 80 per cent in four equal monthly instalments on the 15th day of the first, second, third and fourth months succeeding that in which the application is made.

3. If it is decided to subscribe 33.3 lakhs the 15 per cent due with the application may be paid in the current month and the balance will have to be paid in the months of May, June, July and August 1917. It is presumed that the 33.3 lakhs represent payment of the issue price at 95 per cent. The amounts

NOTE—Contn. sheet.

4/6

G. R. S. 12]

General and Revenue Secretariat. | S.7 File No. 158 of 1916.

Serial No.

amounts payable in the different months will approximately be as follows:--

April	...	5.25
May	...	7.02
June	...	7.02
July	...	7.02
August	...	7.02

3. The above amounts can be paid as they fall due.

Mr Venkatachari 7/4/17
Offg. Comptroller.

SDV/2-7-4

A/S 7/4

Please put up a draft order to Compte according & Immediate.

M 9/4/17

Also a draft letter to the Residency on the lines of para 3 of enclosed note & also informing him that Dy Colrs have been asked to hold meetings &c

M 9/4/17 XXX 10/4/17

Two drafts Subs

Actg) 12/4/17

(1) Letter to Compte should come after 1st Member's approval

P.T.O.

NOTE—Contn. sheet.

GPB—70,000—17-12-15

WD 1233—GPB—60,000—1-12-16—S.

46

G. R. S. III-2]

General and Revenue Secretariat. | S. 7 File No. 158 of 1916.

Serial No.

clean draft put up
15
12/4

(2) Letter to Residency a clean draft should be prepared & after approval by 1st member should be submitted to Dewan & issue after his approval.

Very early

12/4/17

1st. member).

15
12/4/17.

102 Drafts offd
12/4/17

103 A/s Fri

(1) Issue letter to Comptr today

(2) submit file with the draft to Residency to Dewan in camp per special Desptr messenger today.

13.4.17

9

To the Comptroller

No. H 6099 dt. 13.4.17

Requests him to make the necessary application & arrange for the payment of the sum of 33.33 Lakhs in the instalments suggested herein on the due dates, and to take steps in proper time for obtaining the full rights of conversion of the 3½% paper into the new loan.

NOTE—Contn. sheet.

Jan 1032 file

ND 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | S.7 File No. 158 of 1916.

Serial No.	
104	Resumed after issue of draft to Compt^r
	Asst 13/4
105	Durbar) For approval of draft letter to Residency.
	5-9-16 / 13-4-17.
	18 / 13.4.17.
106	Typed by Durbar
	14/4/17.
107	Secretary 18 / 16.4.17
10	To The F. A. Resident Pol: No: 1044 dt. 12.4.17 States that the Durbar have decided to take 75 Lakhs of the War Loan paper (including those by conversion) on the instalment plan & request to be informed whether the amount of 2 of the instalments from May to August may be paid in London.

NOTE—Contn. sheet.

From

WD 1233—GPB—60,000—1-12-16—S.

48

G. R. S. III-2]

General and Revenue Secretariat. | S-7 File No. 158 of 1916.

Serial No. 21

From The A Resident
no-3247 d 24.4.17.
States that the Govt of India have been addressed in the matter & expresses the Resident's warm pleasure and satisfaction at the splendid measure of support which the State of Mysore, in consonance with its loyal traditions, is giving to the loan

Fin[l] Secy's order on the letter :-
Submit to 1st Member & Dewan
Sd J.S.C
27/4.

Sub[d] 1/5 This may be sub[d] to Fin[l] Secy again as he has sent for the file

The letter marked 'paper for under disposal' may be read.

Hag/B.

I also submit a draft D.O. to the Residency which may be issued if approved. In it a request is made to the Hon'ble the Resident to arrange to show Mysore contribution as a separate item in the all-India list published daily in the press.

Dewan's
1/5

Will be shown to 1st member on his return from Mysore

May be shown to Fin. Member & then submitted to Hon'ble Chiefs after issue.
2.5.17. CO

6258/2.5.17

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2)

General and Revenue Secretariat.

GI File No. 158 of 1916.

Serial No.	
113	The draft d.o. letter approved by the Dewan has been issued and placed on file (vide D.O. No. 4893 dated 2.5.17) CGR 2.5.17
114	1 (1st Member). Vide Dewan's note 3/5/17 with a D.S.N. 4.
	2 Dewan — Seen 6/5 Seen 18 7/5

2974 7.5.17

6394 9.5.17

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

50

G. R. S. III-2]

General and Revenue Secretariat. | S.7 File No. 158 of 1916.

Serial No. 24.

From the Comptroller
no. 9282/BR.810 dy 5.5.17
Refering to S.O. no. £ 7e 6099-S.7
158-16-9 dy 13.4.17, requests to be informed
when orders ygot re payments of 5ome of
the War Loan instalments in London may be
expected, and whether the Bank of Madras,
Madras may be instructed to pay Rs 7,01,680
being the instalment due on 15.5.17, if orders
ygot are not likely to be received in the
meanwhile.

Re payment of 5ome of the instalments
in London, the Residency have been addressed,
and a reply has been received to the effect
that the orders of the Govt of India in
the matter have been sought by the
Hon'ble the Resident.

The file on the Subject is
under Submission to Dewan, with a DSN.
Subd for orders

8/5 Please ascertain in the Dewan's office
if any reply to the Hy Commr is rcd: —

8/5/17

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

G7 Filé No. 158 of 1916.

Serial No.

Sulod.

I have ascertained from the Superintendent, Dewan's Office that no communication in the matter has been received there.

8/3

From the Comptroller No 942-1/915-97 7.5.17.

Forwards for obtaining the Dewan's signature a letter he has proposed to the Madras Bank for meeting the 2nd instalment due on the 15 instant, towards the war loan out of the balance of State funds in their hands and observes that orders have not yet been issued regarding the payment of some instalments in London out of the increasing surplus with messrs Coutts & Co.

Please submit the [illegible] of the Hon'ble [illegible] instant.

18/5

NOTE—Contn. sheet.

2714. FD 1233—GPB—60,000—1-12-16—S. 52

G. R. S. III-2] 3

General and Revenue Secretariat. | Cyf File No. 158 of 1916.7.

Serial No.

Please see previous page 6, The file on the subject is under submitted to Dewan.

Subd
PM
15/5.

Put up a reminder the day.

18
11/5

Draft subd. to
AAR PM
19/5

Dewan).

18
14.5.1917

6557
15.5.17

This file was feed back on 21-5-17 for putting up the file on the subject.

Resubmitted with the file on the subject received after perusal by H.H. the Maharaja.

PM
21.5.17.

The instalment due on 15th May has been paid. There are only 3 more instalments to be paid as under

15th June. 7.02. Lakhs
15th July. 7.02. "
15th August. 7.02. "

Permission is sought in the Key Resy letter to pay 2 instalments in London. A reminder seems therefore necy -

The draft may be kindly approved.

Dewan)

18
21.5.1917

6722
22.5.17

NOTE—Contn. sheet.

Draft appd by Dewan. 24.5.17.

Letter 24.5.17 No

Need not issue vide Resy ltr dated 18/28-5-17

63

Submitted to His Highness.

I submit for His Highness' perusal the marginally noted papers regarding the share of Mysore in the Indian War Loan. The Hon'ble the Resident has expressed his pleasure and satisfaction at His Highness' gracious subscription and measure of support to the War Loan.

A (1) Residency letter No.3247 dated 24th April 1917.
B (2) My demi-official letter No.4893 dated 2nd May 1917 to the Hon'ble the Resident.
C (3) Notification No.Fl.6860 dated 3rd May 1917. — in F linked file
D (4) Mysore Bank's Circular dated 8th March 1917. — in do

3. The amounts subscribed by the people of the State towards the War Loan are not being shown separately in the list of subscriptions published daily in the Press. To serve as an inducement to the investors in Mysore, I have requested the Hon'ble the Resident to kindly arrange for the amounts subscribed by Mysore including the Civil and Military Station being specified separately in the official list of subscriptions. — B

3. As a further encouragement to Government employees of modest means to invest their savings in the War Loan, a scheme granting a suitable advance for the purchase of War Loan paper repayable in 24 monthly instalments has been accepted by the Council and a notification issued. — 7 linked file

4. The Bank of Mysore have also offered some facilities to intending investors in the Mysore State by undertaking to advance the required amount to be repaid in 17 or 18 instalments. — in do — D

M. Visvesvaraya

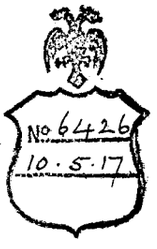
15th May 1917.

hm

C ii 154

Record of Cases submitted for the Orders of His Highness the Maharaja.

R. no. 2745-16.



Subject.

Papers relating to the Indian War Loan.

1137

Order.

~~KRW~~

15/5/17

Sanction

16.5.17

ND 1233—GPB—60,CCC—1-12-16—S.

56

G. R. S. III-2]

General and Revenue Secretariat. | G-7 File No. 158 of 1916.

Serial No.	
32	From The FA Resident no. 4116 dt 24.5.17 States that the Govt of India are unable to grant the request of the Dunbar re payment of two of the War Loan instalments in London, in the form in which it has been put forward, and that they have however obtained the sanction of the Secretary of State to the payment there in London of the Dunbar of two instalments of Rs 7,02,000 each in the form of British Treasury Bills: Subs with a draft to the Comptroller as directed by the Asst Secy on the Resl letter. Asst Secy 25/5 25/5
33	To The Comptroller & Cr H 7337 dt: 25.5.17 Forwards Copy of the letter in Ser: 32 and refers to Ser 24 calling for the opinion of them, if the proposed arrangement is [illegible]
34	From The Comptroller no 10202 dt 29.5.17 BKs 1022 Invites reference to his letter no

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

S.7 File No. 158 of 1916.

Serial No.

10082/Bks 983 dy 24.5.17. and no: 1020 Bks dy 27.5.17, and States that as there is now no surplus balance with Messrs Cutts & Co to be used for paying any of the instalments of the War Loan Subscription, there is no need for availing ourselves of the arrangement suggested by the Govt of India

Submitted with a draft as directed by the Asst Secy on the Comptroller's letter no. 10204/Bks, 1020 dy 27.5.17 in the linked file.

Asst 30/5 Mr — Asst Secy) 18/30/5/17

Mr 30/5

for member Dewan) 2/6

15/6/17

6938/5.6.17

Dewan] Draft approved by the Dewan. 12.6.17

Issue letter 15/13-6-17.

Copy sent Signed at 1-30 on 15/6

NOTE—Contn. sheet.

GEN'L & REV. SECRETARIAT.
TYPING Sec.
13 APR 1917

5-1

G.R.S. 28]

G.7

File No. 158-16

Serial No. 9.

*Diary No. of letter replied to*_____

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
(G.7)

READ—

, the 191 .

Date of issue. 13.4.17

Signed by M. B. Sreenivasayya

ORDER THEREON.—No. H 6099

The Govt of H.H. the Maharaja of Mysore have been pleased to order that a Sum of ~~33,33,333~~ 33.33 lakhs in cash ~~5%~~ should be invested in the Indian War Loan of

over.

SUBJECT.

GPB—50,000—1-12-12

1917 on the instalment plan, the Comptroller is requested ~~to~~ make the necessary application and to arrange for the payment of the sum in the following instalments on the due dates:—

April ..... 5.25 lakhs.
May ..... 7.02 "
June ..... 7.02 "
July ..... 7.02 "
August ..... 7.02 "

Necessary steps for obtaining the full rights of conversion of the 3½ o/o paper into the new loan may also be taken in proper time. Govt will be glad to have a report of the action taken in the matter every month.

The papers should be in the special form for Native States free from income-tax & should stand as usual in the name of the Heir

Govt's action is being taken on the (enclosed) application for May & subsequent months as regards paying same of the instalments in London or orders on the subject will be communicated in due course

Finl Secretary. 12/4/17

18
12/4/17

To the Comptroller to Govt.

13/4

ADC 13/4

G. R. S. 26]

Clean draft as approved by Hon'ble H.E. 18/4/17 Pol. No. 1044

File No. 158-16

Serial No.

Diary No. of letter replied to

GENERAL SECRETARIAT. TYPING Sec. 16 APR 1917

General and Revenue Secretariat

(G.7)

, the 191 .

Date of issue 17-4-17

Signed by J. S. Chakravarthi

ON.

The dated paper referred in para 2 of D.S.R. is not in the Branch.

To

The F.A. Resident

in Mysore.

Sir,

With reference to the Demi Official Correspondence on the Subject of Subscription to the Indian War Loan of 1917 in the Mysore State, I am directed to state that the Durbar have decided to take, by fresh Subscription and by the exercise of conversion rights attaching to such Subscription, 7.5 Lakhs or half a million sterling of the oper.

SUBJECT.

60

New War Loan Papers. Application for the new loan is being made on the instalment plan, and it is proposed to pay the cash subscription amounting to 33.33 lakhs in the following instalments:—

April ... 5.25 lakhs.
May ... 7.02 "
June ... 7.02 "
July ... 7.02 "
August ... 7.02 "

2. As regards the mode of payment, the Durbar will feel obliged if the Hon'ble the Resident will kindly ascertain and communicate the views of the Govt of India as to whether the amounts of two of the instalments from May to August maybe paid in London. This arrangement will, I am to say, be of convenience to the Durbar, as it would help them out of the difficulty they are experiencing, owing to the

List of enclosures

Nil
10/4

Copied by

Examined by

GPB—25,000—4-3-13

G. R. S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

exchange situation, in selling their gold royalty and other receipts in London remitted to India. If payment in London is agreed to, the rate of exchange at which the payment may be made may also be kindly ascertained and intimated.

3. I am to add that as the Hon'ble the Resident is aware satisfactory arrangements have been made in Bangalore city for attracting Subscriptions to the War Loan and that including the State Contribution of H.H. the Maharaja, the total Subscriptions now amount to about 41 Lakhs. The Dy. Com^rs of ~~all~~ districts ~~in the State~~ have also been requested to popularise the loan to the utmost extent possible by holding meetings and explaining to the people the

attractive features of the new loan scheme as an investment and the desirability of participating in it

I have the honour to be,

Sir,

Your most obedient servant,

Asst.
1414

12.4.17

12

Secy
13/4/17

14.4.17
do

GPE—20,000—16-2-14

Pol-1785
24.4.17

No. 3247

FROM

MAJOR T. H. ST. GEORGE TUCKER,
FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

The Financial Secretary to the Government of

His Highness the Maharaja of Mysore.

Dated Bangalore, 24th April 1917

SIR,

With reference to your letter No. Pol. 1044, dated the 17th April 1917, regarding subscriptions to the Indian War Loan, I am directed to state that the Government of India have been addressed in the matter, and to express the --- Resident's warm pleasure and satisfaction at the splendid measure of support which the State of Mysore, in consonance with its loyal traditions, is giving to the loan.

I have the honour to be,

Sir,

Your most obedient servant,

T. St. G. Tucker

First Assistant Resident.

R O. 2—R. P. B.—8—1917.—1,000.

64

81-66

Bangalore

1.5.17

My dear Hirigamik,

Will you please get the Dewan's approval to the D.O. in the file sent herewith & issue it today, if possible? The D.O. refers to the necessity of showing Mysore contributions separately in the all-India list & is addressed to the Hon'ble the Resident.

Yours

J. Chakravarti

6

Draft D.O. for approval.

Bangalore
2.5.17

D. O. No. ~~4893~~

My dear Mr. Cobb,

You are aware that lists are published daily in the press shewing the -- amounts subscribed by different provinces in India to the Indian War Loan. For encouraging the ~~Mysore~~ people of the State to make further endeavours in the matter of responding to the loan ~~collecting subscriptions~~ appeal it is perhaps desirable that the -- Mysore figure should find a place in the official list. It does not conduce to enthusiasm on the part of workers if the Mysore figure is merged in the figures of some other province as at present. The applications from Mysore including the State subscription now amounts to 41.86 lakhs. If you see no objection, ~~would~~ the Director will be obliged if you will kindly arrange to get ~~this~~ the Mysore figures separately specified in the daily list supplied to the Press under the authority of the Government of India. If you will also kindly let me know the designation of the officer dealing with the matter, I shall ask our Comptroller to furnish ~~to~~ that Officer with weekly returns -- shewing the progress of subscription in the Mysore State. I think there ~~should~~ may be one -- figure published under the head "Mysore (including the Civil and Military station of Bangalore)" and the Comptroller will report the figure weekly after consulting the Bank of Madras, Bangalore and the Bank of Mysore.

Yours sincerely,

Dewan

2.5.17

M
1/5/17

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters, below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

the communications.

No. 9282 XXY

FORM 14 new

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 4th ~~May~~ *may* 1917

DIWAN BAHADUR ~~xxxx

GPB—2,000—25-8-14

C. O. 42-Rec.—17]

.....Department.

1917.

FROM

DIWAN BAHADUR
J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., ETC.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

..... , ESQ.,
Secretary to the Govt. of Mysore,
Jud. *Dept.*

Dated

Despatched 5/5/17

Received

No..... 9282 / 9760.

Subject matter.

Enquiring whether Govt order for forging of war-Loan certificates to refund-money be expected

67

Per Signed

G. R. S. 26]

File No. 158-16

Serial No.

Diary No. of letter replied to 2714

No.

General and Revenue Secretariat

(G.7)

, *the* 191 .

To

The F.A. Resident

in Mysore

Date of issue.....

Sir,

Signed by.....

I am directed to invite [illegible]
×
reference [illegible] letter no 3247 dy 24.4.17
regarding the Durbar proposal for the
payment of some of the War Loan
instalments in London, and to request
to be informed when the reply of the
Govt of India in the matter may be
expected who
~~been~~ received.

A

The file relating to this is in the Durbar.

24.5.17
do

I have &c
15
for Fin Secy 14/5
over.

A of 24/5

SUBJECT.

No. 4116.

D 2922

From

Major T. H. St. GEORGE TUCKER,
FIRST ASSISTANT to the RESIDENT in MYSORE.

To

The Financial Secretary to the Government of
His Highness the Maharaja of Mysore,

Dated Bangalore, 24th May 1917.

Sir,

With reference to your letter No.Pol.1044, dated the 17th April 1917, proposing to pay a cash subscription of Rs.33,33,000 to the Indian War Loan in five instalments and asking to be allowed to pay in London two of the instalments of Rs.7,02,000 each payable in May to August, I am directed to state, for the information of the Durbar, that owing to statutory and other difficulties, the Government of India are unable to grant the request of the Durbar in the form in which it has been put forward. They have, however, obtained the sanction of His Majesty's Secretary of State to the payment to him in London by the Durbar of two instalments of Rs.7,02,000, each in the form of British Treasury Bills. It is presumed that the Durbar will have no difficulty in buying treasury bills with their funds in London and adopting this course. The Bills will be accepted by the Secretary of State at a discount of 4½ % and exchange will be calculated at the rate of Rs.15 to the £.

R O. 2—R. P. B.—3—1917.—1,000.

90

G. R. S. 26]

SUBJECT.....

.....

.....

Diary No. of letter replied to 2922

Section G.7.
File No. 158-16
Serial No. 33.

General and Revenue Secretariat
(G.7)
, *the* *191* .

No. H7337
& 25 May/17

Date of issue 25-5-17

To

Signed by W S Iyengar

The Comptroller of Govt

Sir

With reference to the correspondence ending with your letter no 9282/B&R dt 7-5-17 re payment of same of the War Loan Subscription instalments in London, I am directed to forward herewith, ~~for information~~ ~~and return after perusal~~ copy of letter no. 4116 dt 24.5.17 from the H.A. Resident in Mysore

The file is ~~returned~~ before the Diwan

over.

suggesting that

~~Stating that the Govt of India~~
~~have obtained the sanction of the~~
~~Secretary of State to the payment~~ of 2 instalments, 1 on each
~~Union~~ in London ~~by the Drafts~~
~~of two instalments of Rs 7,00,000~~
~~each~~ in the form of British
Treasury Bills, and to request
We be favored with your opinion
as to whether the proposed
arrangement is suitable.

Thanks

25/10/12

for Finl Secretary

List of enclosures.

Copied by

Examined by

HPB—20,000—14-2-14

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

6787
26.5.17.

Copy of Residency letter ~~re~~ the following in which the payment of two of the instalments of Rs 7,02,000/- to be made by the Durbar to the Indian War Loan, at London, is submitted to Diwan

Lee
26.5.17

B. Varadiswamiyar
Registrar

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20-7-16

13

No. 4116.

From

Major T. H. St. George Tucker,
First Assistant to the Resident in Mysore.

To

The Financial Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated Bangalore, 24th May 1917.

Sir,

With reference to your letter No.Pol.1044, dated the 17th April 1917, proposing to pay a cash subscription of Rs. 33,33,000 to the Indian War Loan in five instalments and asking to be allowed to pay in London two of the instalments of Rs.70200 each payable in May to August, I am directed to state, for the information of the Durbar, that owing to statutory and other difficulties, the Government of India are unable to grant the request of the Durbar in the form in which it has been put forward. They have, however, obtained the sanction of His Majesty's Secretary of State to the payment to him in London by the Durbar of two instalments of Rs.7,02,000, each in the form of British Treasury Bills. It is presumed that the Durbar will have no difficulty in buying treasury bills with their funds in London and adopting this course. The Bills will be accepted by the Secretary of State at a discount of 4½ % and exchange will be calculated at the rate of Rs. 15 to the £.

I have the honor to be,
Sir,
Your most obedient servant,

(Sd) T. St. G.Tucker,
First Assistant Resident.

" C O P Y "

Registrar.

BJ

D 2957

14

S7158-16

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters, below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

1022

No. 1022 Banks.

FORM

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 27th May *191*7.

29 MAY 1917

~~DIWAN BAHADUR J. S. CHAKRAVARTI, Esq., M.A.,~~

M. N. Krishna Rao, Esq., B.A., ~~F.R.A.S., ETC.,~~

Offg. *Comptroller to the Government of His Highness the Maharaja of Mysore.*

To

Rajamantrapravina Diwan Bahadur J. S. Chakravarti, Esq., **M.A., F.R.A.S.,**

Secretary to the Government of Mysore,

Financial *Department.*

SIR,

With reference to your letter No.Fl.7337/G.F.158-16 dated the 25th May 1917, I have the honor to invite reference to my -- letters Nos. 10052/Bks.983 dated the 24th May 1917 and Bks.1020 dated 27th May 1917. As explained in these letters, there is now no surplus balance with Messrs. Coutts & Co., to be used -- for paying any of the instalments of the War Loan subscription. There is accordingly no need for availing ourselves of the -- arrangement suggested by the Government of India.

I have the honor to be,

Sir,

Your most obedient servant,

Offg. Comptroller.

CV/27-5

GPB—2,000—25-8-14

C. O. 42-Rec.—17]

.....Department.

191 .

FROM

DIWAN BAHADUR

J. S. CHAKRAVARTI, ESQ., M.A.,

F.R.A.S., ETC.,

Comptroller to the Govt. of

H. H. the Maharaja of Mysore.

To

....., ESQ.,

Secretary to the Govt. of Mysore,

Dept.

Dated

Despatched 29/5/17

Received

No..... 6052 to .....

Subject matter.

Pending attention of the Officer on tour 6052 dated 29/5/17 Bangalore 6/6/17

15

G. R. S. 26]

SUBJECT.....

.....

.....

Fair copy

Diary No. of letter replied to 2922

Section 97
File No. 158-16
Serial No.

General and Revenue Secretariat
(97)
, *the* *191* .

No. Pol. 1237

Date of issue 15th June 1917

Signed by q. s Chakravarthi

To

The F.A Resident

in Mysore

Sir

I am directed to acknowledge receipt of your letter no 4116 D 24.5.17 and to communicate the Durbar's thanks for the intimation that the Sanction of His Majesty's Secretary of State has been obtained to the payment to him in London by the Durbar of two instalments

over.

of their War Loan subscriptions in the form of British Treasury Bills. I am however to state that the accommodation so kindly afforded by the Secretary of State cannot be made use of, as the Durbar had to meet certain emergent payments at London since their requisition of 17.4.17 was made and have at present no surplus balance with their bankers Messrs Cox and Co to be used for paying any of the instalments of the War Loan. It is therefore proposed to pay all the instalments of the War Loan in India.

Yours &c

Fmt Secretary

30/5/1917

List of enclosures.

Copied by

Examined by

G.P.B.—20,000—14-2-14